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Employment Cost Index for the Midwest June 2002

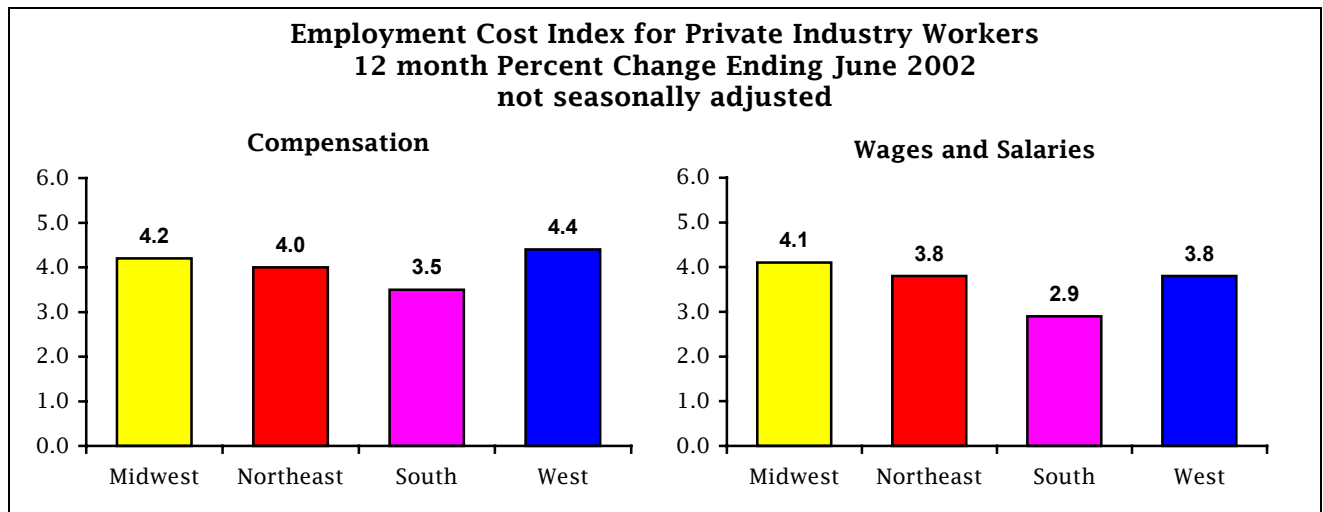
The Midwest Employment Cost Index (ECI) for total compensation increased 0.9 percent in the three months ended in June 2002, according to the U.S. Department of Labor's Bureau of Labor Statistics. This was inline with the second-quarter increase of 0.8 percent in 2001 but below the 1.2 percent second-quarter gain in 2000. The June 2002 ECI for the Midwest was 162.6 (June 1989 = 100). Compensation costs for private industry workers in the Midwest rose 4.2 percent from a year ago. This was above the 3.5 percent increase in the previous 12 months ended in June 2001. The ECI measures changes in compensation costs, including wages, salaries, and employer costs for employee benefits. The Midwest ECI is not seasonally adjusted.

Peter J. Hebein, regional commissioner of the Bureau in Chicago, said that the 0.9 percent second quarter rise in Midwest compensation costs equaled the increase in the South. In the Northeast, compensation costs rose 1.0 percent and in the West, 1.6 percent. The national average ECI for private industry workers gained 1.1 percent from March 2002. (See table A.)

Compensation costs in the United States and Northeast region rose 4.0 percent over the past 12 months—slightly behind the 4.2 percent gain in the Midwest. At 4.4 percent, compensation costs grew the fastest in the West. In the South, compensation costs rose 3.5 percent, trailing the other three regions and the nation.

Table A. Percent changes in the Employment Cost Index for private industry workers, (not seasonally adjusted)

REGION	COMPENSATION						WAGES AND SALARIES					
	3 months ended			12 months ended			3 months ended			12 months ended		
	June 2001	Mar. 2002	June 2002	June 2001	Mar. 2002	June 2002	June 2001	Mar. 2002	June 2002	June 2001	Mar. 2002	June 2002
U.S. Average	1.0	1.1	1.1	4.0	3.9	4.0	1.0	0.9	1.0	3.8	3.5	3.6
Midwest	.8	1.6	.9	3.5	4.1	4.2	.9	1.6	.9	3.5	4.1	4.1
Northeast	1.4	1.3	1.0	4.1	4.4	4.0	1.3	1.2	.9	3.8	4.2	3.8
South	.8	1.0	.9	3.8	3.4	3.5	.7	.9	.7	3.3	2.8	2.9
West	1.1	.6	1.6	4.8	4.0	4.4	1.1	.3	1.5	4.5	3.4	3.8



The Midwest ECI for wages and salaries rose 0.9 percent from March 2002 to June 2002. This was below the 1.2 percent average second quarter increase experienced over the past three years. The second quarter wage and salary gain in the Midwest equaled the gain in the Northeast and was close to the 1.0 percent increase in the U.S. The West experienced the fastest growth in wages and salaries, 1.5 percent, and the South the slowest, 0.7 percent.

Over the past 12 months, wages and salaries in the Midwest advanced 4.1 percent, the highest increase in the nation. In the Northeast and West, wages and salaries grew 3.8 percent--closer to the 3.6 percent national average gain. In the South, wages and salaries rose 2.9 percent over the year, the smallest increase among the four regions.

Note: ECI data for September 2002 is scheduled for release on Thursday, October 31, 2002 at 7:30 A.M. (CDT)

EXPLANATORY NOTE

The "Midwest" Census Region includes the States of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

The Employment Cost Index (ECI) is a measure of the change in the cost of labor, free from the influence of employment shifts among occupations and industries. The compensation series includes changes in wages and salaries and employer costs for employee benefits. The wage and salary series and the benefit cost series provide the change for the two components of compensation.

Wages and salaries are defined as the hourly straight-time rate or, for workers not paid on an hourly basis, earnings divided by the corresponding hours. Straight-time wage and salary rates are total earnings before payroll deductions, excluding premium pay for overtime and for work on weekends and holidays, and shift differentials. Production bonuses, incentive earnings, commission payments, and cost-of-living adjustments are included in straight-time wage and salary rates.

Benefits covered by the ECI are: Paid leave (vacations, holidays, sick leave, and other leave); supplemental pay (premium pay for overtime, shift differentials, and non production bonuses such as lump-sum payments provided in lieu of wage increases); insurance benefits (life, health, and sickness and accident); retirement and savings benefits (pension and other retirement plans and savings and thrift plans); legally required benefits (social security, railroad retirement and supplemental retirement, railroad unemployment insurance, Federal and State unemployment insurance, workers' compensation, and other legally required benefits such as State temporary disability); and other benefits (severance pay and supplemental unemployment plans).

The ECI provides data for the civilian economy, which includes the total private economy and public sector--excluding farms, households, and the Federal government. The private industry series and the State and local government series provide data for the two sectors separately.

Each quarter, straight-time average hourly wage and salary rates and benefits cost data (cents-per-hour-worked) are collected from a national probability sample of approximately 29,800 occupations within over 7,200 sample establishments in private industry and nearly 3,800 occupations within 800 sample establishments in State and local governments. Data are collected for the pay period including the 12th day of the survey months of March, June, September and December.

More detailed information on the ECI is available in several sources. These include an annual bulletin, Employment Cost Indexes and Levels, 1975-97, (Bulletin 2504 \$16.00); chapter 8 in the BLS Handbook of Methods (Bulletin 2490, \$20.00), and several articles published in the Monthly Labor Review. Detailed statistics on employer cost levels are available in a newly published report, Employer Costs for Employee Compensation, 1986-97, (Bulletin 2505, \$20.00). These bulletins are available from the BLS Publication Sales Center, PO Box 2145, Chicago, Illinois, 60690 (312-353-1880). Current and historical ECI data are available on the Internet at: <http://www.bls.gov/ncs/ect>.

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<p>BLS Fax-on-Demand allows you to order current news releases, data tables, and background information using a touch tone telephone and have them faxed to you anytime 24 hours a day, 7 days a week.</p> <p>Over 280 documents are available currently including this news release. To obtain a catalog of available documents, call 312 353-1880, select menu option 1, and following the instructions, request document 1000.</p> <p>This new release is available as document 9410. The National news release is available with these document numbers:</p> <table><tbody><tr><td>Text.....</td><td>4110</td><td>Table 8</td><td>4125</td></tr><tr><td>Tables 1-4</td><td>4115</td><td>Explanatory notes</td><td>4190</td></tr><tr><td>Tables 5-7</td><td>4120</td><td></td><td></td></tr></tbody></table> <p>A current copy of any BLS major economic indicator can be in your hands in minutes any time you need it with BLS Fax-on-Demand.</p>	Text.....	4110	Table 8	4125	Tables 1-4	4115	Explanatory notes	4190	Tables 5-7	4120		
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Table 1. Employment Cost Index for total compensation and for wages and salaries only, private industry workers, United States and Census regions (not seasonally adjusted)

	Indexes					Percent Change									
	(June 1989=100)					Over the Quarter					Over the Year				
	U.S. Avg.	Mid- west	North -east	South	West	U.S. Avg.	Mid- west	North -east	South	West	U.S. Avg.	Mid- west	North -east	South	West
COMPENSATION															
(Including wages, salaries, and employer costs for employee benefits)															
June 97	132.8	134.7	133.1	131.5	131.4	.8	1.1	.7	.5	.8	2.9	3.1	2.6	2.9	3.2
Sept.	133.9	136.2	134.0	132.5	132.5	.8	1.1	.7	.8	.8	3.2	3.7	2.6	2.9	3.3
Dec.	135.1	136.9	135.0	134.6	133.4	.9	.5	.7	1.6	.7	3.4	3.6	3.0	3.8	3.5
Mar. 98	136.3	138.3	136.0	135.5	135.2	.9	1.0	.7	.7	1.3	3.5	3.8	2.9	3.6	3.8
June	137.5	139.6	137.0	136.4	136.6	.9	.9	.7	.7	1.0	3.5	3.6	2.9	3.7	4.0
Sept.	139.0	140.9	138.7	137.6	138.5	1.1	.9	1.2	.9	1.4	3.8	3.5	3.5	3.8	4.5
Dec.	139.8	141.4	139.5	138.1	140.0	.6	.4	.6	.4	1.1	3.5	3.3	3.3	2.6	4.9
Mar. 99	140.4	141.7	140.5	139.1	140.3	.4	.2	.7	.7	.2	3.0	2.5	3.3	2.7	3.8
June	142.0	143.6	141.5	140.7	142.1	1.1	1.3	.7	1.2	1.3	3.3	2.9	3.3	3.2	4.0
Sept.	143.3	145.0	143.2	141.8	143.3	.9	1.0	1.2	.8	.8	3.1	2.9	3.2	3.1	3.5
Dec.	144.6	146.3	144.3	143.0	144.7	.9	.9	.8	.8	1.0	3.4	3.5	3.4	3.5	3.4
Mar. 00	146.8	148.9	146.3	145.0	147.0	1.5	1.8	1.4	1.4	1.6	4.6	5.1	4.1	4.2	4.8
June	148.5	150.7	147.6	146.7	148.8	1.2	1.2	.9	1.2	1.2	4.6	4.9	4.3	4.3	4.7
Sept.	149.9	152.2	149.3	147.6	150.8	.9	1.0	1.2	.6	1.3	4.6	5.0	4.3	4.1	5.2
Dec.	150.9	153.3	150.3	148.6	151.8	.7	.7	.7	.7	.7	4.4	4.8	4.2	3.9	4.9
Mar. 01	153.0	154.8	151.6	151.1	154.3	1.4	1.0	.9	1.7	1.6	4.2	4.0	3.6	4.2	5.0
June	154.5	156.0	153.7	152.3	156.0	1.0	.8	1.4	.8	1.1	4.0	3.5	4.1	3.8	4.8
Sept.	155.9	157.4	155.2	153.5	157.6	.9	.9	1.0	.8	1.0	4.0	3.4	4.0	4.0	4.5
Dec.	157.2	158.6	156.3	154.6	159.4	.8	.8	.7	.7	1.1	4.2	3.5	4.0	4.0	5.0
Mar. 02	158.9	161.1	158.3	156.2	160.4	1.1	1.6	1.3	1.0	.6	3.9	4.1	4.4	3.4	4.0
June	160.7	162.6	159.9	157.6	162.9	1.1	.9	1.0	.9	1.6	4.0	4.2	4.0	3.5	4.4
WAGES AND SALARIES ONLY															
June 97	129.7	130.4	129.8	129.4	128.9	.9	1.1	.8	.7	.9	3.3	3.3	3.0	3.4	3.3
Sept.	131.0	132.2	130.7	130.6	130.2	1.0	1.4	.7	.9	1.0	3.6	4.2	2.9	3.7	3.5
Dec.	132.3	133.0	131.6	133.0	131.2	1.0	.6	.7	1.8	.8	3.9	4.2	3.1	4.7	3.7
Mar. 98	133.7	134.7	132.6	134.0	132.9	1.1	1.3	.8	.8	1.3	4.0	4.4	3.0	4.3	4.1
June	134.9	136.0	133.8	134.9	134.5	.9	1.0	.9	.7	1.2	4.0	4.3	3.1	4.3	4.3
Sept.	136.6	137.5	135.4	136.5	136.7	1.3	1.1	1.2	1.2	1.6	4.3	4.0	3.6	4.5	5.0
Dec.	137.4	138.0	136.4	136.7	138.4	.6	.4	.7	.1	1.2	3.9	3.8	3.6	2.8	5.5
Mar. 99	138.1	138.9	137.1	137.9	138.2	.5	.7	.5	.9	-.1	3.3	3.1	3.4	2.9	4.0
June	139.7	141.0	138.2	139.4	140.2	1.2	1.5	.8	1.1	1.4	3.6	3.7	3.3	3.3	4.2
Sept.	141.0	142.4	139.9	140.2	141.3	.9	1.0	1.2	.6	.8	3.2	3.6	3.3	2.7	3.4
Dec.	142.2	143.6	140.9	141.5	142.6	.9	.8	.7	.9	.9	3.5	4.1	3.3	3.5	3.0
Mar. 00	143.9	145.3	142.3	143.0	144.7	1.2	1.2	1.0	1.1	1.5	4.2	4.6	3.8	3.7	4.7
June	145.4	147.1	143.7	144.6	146.3	1.0	1.2	1.0	1.1	1.1	4.1	4.3	4.0	3.7	4.4
Sept.	146.8	148.6	145.3	145.3	148.2	1.0	1.0	1.1	.5	1.3	4.1	4.4	3.9	3.6	4.9
Dec.	147.7	149.6	146.0	146.3	149.2	.6	.7	.5	.7	.7	3.9	4.2	3.6	3.4	4.6
Mar. 01	149.4	150.9	147.3	148.3	151.3	1.2	.9	.9	1.4	1.4	3.8	3.9	3.5	3.7	4.6
June	150.9	152.3	149.2	149.3	152.9	1.0	.9	1.3	.7	1.1	3.8	3.5	3.8	3.3	4.5
Sept.	152.1	153.6	150.6	150.2	154.3	.8	.9	.9	.6	.9	3.6	3.4	3.6	3.4	4.1
Dec.	153.3	154.7	151.7	151.2	156.0	.8	.7	.7	.7	1.1	3.8	3.4	3.9	3.3	4.6
Mar. 02	154.7	157.1	153.5	152.5	156.4	.9	1.6	1.2	.9	.3	3.5	4.1	4.2	2.8	3.4
June	156.3	158.5	154.9	153.6	158.7	1.0	.9	.9	.7	1.5	3.6	4.1	3.8	2.9	3.8

